UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF PUERTO RICO

Minute Entry

Hearing Information:

Debtor: Efrain DIAZ BETANCOURT
Case Number: 10-02563
Adversary Number: 10-00109-BKT **Chapter:** 11
Date / Time / Room: 1/26/2011 9:00 AM
Bankruptcy Judge: BRIAN K. TESTER
Courtroom Clerk: WENDY VEGA
Reporter / ECR: INECITA COLLAZO

Matter:

STATUS CONFERENCE IN ADVERSARY PROCEEDING

FINAL APPROVAL OF THE DISCLOSURE STATEMENT AND CONFIRMATION OF THE PLAN

Appearances:

WIGBERTO LUGO FOR DEBTOR AND DEFENDANT IN ADVERSARY PROCEEDING
EDWARD GODOY FOR U.S. TRUSTEE
JOSE M PRIETO CARBALLO - LEAD COUNSEL IN ADVERSARY PROCEEDING FOR PLAINTIFF
MARIA M. CARRASQUILLO
JORGE ROIG FOR PONCE CAPITAL CORP.
MARIA SOLEDAD JIMENEZ FOR BANCO SANTANDAR
MIGDALIZ COLLAZO FOR P.R. TRESURY DEPT.

Minutes of Proceedings:

The Debtor requested an extension to confirm the plan within ninety (90) days and no opposition has been filed, nor was raised. The Disclosure Statement and Plan should be filed separately.

The debtor's request of extension is granted (docket entry 77). Under 11 U.S.C. §1121(e)(3), it is extended until May 9, 2011.

The Clerk will separate the Disclosure Statement and the Plan, docket entry No. 72. It will be entered with the same date filed, however, will be assigned different docket entries.

The U.S. Trustee pointed out some issues that should be cleared. The debtor will supplement the Disclosure Statement as to the language of the provisions of discharge for individuals in chapter 11 cases, as to the dischargeability of the debt of Plaintiff of the adversary proceeding, and the injunction language of the plan. Mr. Lugo stated the plan is predicted that the debt is dischargeable. Mr. Godoy stated that the Debtor should evaluate the effect of feasibility of the plan of having to face a substantial amount of a non-dischargeable debt ($600,000 approximately).

Parties agreed that the issue of the adversary proceeding can be resolved through a Motion for Summary Judgment. Parties agreed that if the confirmation can be extended until this issue is resolved it will be better, however, Mr. Lugo stated that he is in an advanced stage of settlement with its major creditor Banco Santander and also needs to pay priority creditors. If the confirmation hearing will be extended, should be on a short term to not effect the same. The Court stated if the parties can file simultaneous briefs within twenty (20) days, the Court can make a ruling prior the extended time and the confirmation hearing date could be maintained.

The deadline limitation was extended until June 1, 2011 under 1121(e)(3). As to the adversary proceeding, simultaneous summary judgment briefs will be filed within twenty (20) days. The matter will be taken under advisement and the Court will try to makes its ruling in a short period of time to try not to affect the confirmation of the plan. Once the summary judgment is ruled on, the Debtor can decide if will need to amend the plan or not, file the same, and give the due notice. The final approval of the disclosure statement and the confirmation of the plan hearing was set for **May 25, 2011 at 9:00 A.M.**

S/ BRIAN K. TESTER
U.S. Bankruptcy Judge